

## **FMM 02.6 Appointment of Financial Controllers**

### **6.1 Authority and Prescribed Requirements**

- Public Finances (Management) Act 1995 (PFMA)
  - Section 8A empowers the Secretary of Finance to appoint Financial Controllers.

### **6.2 Standards and Supporting Documentation**

- Nil

### **6.3 Minimum Responsibilities**

The Finance departmental head has the power to appoint a financial controller in any public entity whose role is to deal with matters on the PFMA. The appointment into a constitutional institution is with the consent and agreement of the relevant constitutional institution and whose consent and agreement shall not be unreasonably withheld.

Departmental heads shall be held responsible for any discrepancies or non-compliance identified in relation to PFMA and Financial Instructions at all levels of expenditure and revenue collection.

### **6.4 Mandated Policy**

- 1. An appointment of a Financial Controller (FC) is made in writing by the finance departmental head to the agency departmental head for a specified period of time and for specified purposes.**
- 2. They would also be required to work alongside respective agency's Section 32 and 33 delegated officers, Finance team/divisions, Project and Contract Managers and other officers considered necessary within the line of duty.**
- 3. FCs are not the employee of the agency in which they have been placed and will not perform the duties and responsibilities of agency staff. They are however, assigned to the agency to ensure there is compliance with the PFMA, accountability and transparency requirements.**

- 4. Financial Controllers are not accountable officers at the agency and therefore are not allowed to make expenditure decisions.**
- 5. The departmental head must ensure that their staff provide financial controllers their fullest cooperation.**

### **6.5 Non-mandatory Guidance**

A financial controller can be appointed for a specific purpose or generally to assist and ensure compliance to the PFMA, and will oversee:

- Ensure that Warrant Authorities issued to departmental heads and related Cash Fund Certificate (CFC) are properly controlled and that commitments and expenditures are within the parameters of the warrant authority and CFCs authorised.
- Ensure that the aggregate CFCs raised under each vote should at no stage exceed the total funds approved under warrant authorities for that vote.
- Confirm and endorse that claims examined (by examiners) are in accordance with government procurement procedures by: -
- Ensuring appropriate Section 32 Officers' approvals are obtained for all proposals for expenditure.
- Reject and / or cancel expenditure proposals where funds are not available in the votes indicated for commitment.
- Ensure compliance with the National Procurement Act or procedures established by the National Procurement Commission
- Ensure that proper documentation for commitments monitoring, e.g.; contractual obligation, agreements, periodical payments etc for verification purposes.
- Make recommendations for disciplinary action against any officer responsible for any irregular or fraudulent transaction, misappropriation of funds and refusing to provide information required.
- Query discrepancies, carryover of reconciling items for corrective action to be taken by the department.
- Ensure that all Trust Accounts records are properly maintained, updated and reconciled monthly.

- Check and verify departmental officers on payroll against staff establishment registers in order to ensure that staff on strength are within ceilings approved by the Department of Personnel Management.
- Ensure that the agency collect revenues promptly and to the fullest extent and to have the rates of fees, charges, and imposts reviewed annually.
- Ensure that monthly reviews are undertaken on revenue collection performance, and advise the agency to take corrective action where actual revenue collection performance is below its forecast for the month.
- Ensure that all paying and receiving officers adhere to all standing acts, rules and regulations covering revenue matters and management.

The Financial Controllers will be required to report on the expenditure and revenue performances of each department to the Secretary of Finance on a monthly basis. These reports would highlight any abnormalities and deficiencies identified at all levels of expenditure and revenue management in order for Finance departmental head to recommend appropriate corrective measures. These reports would include: -

- Commitment Reports.
- Expenditure Vote Summary Reports.
- Bank Reconciliation Statements.
- Trust Accounts Reconciliation Statements.
- Revenue Statements (Non Tax).
- Provide Project Related Expenditures.
- Statement of Expenditures.
- Report on any abnormalities and discrepancies identified in relation to collection of revenue and expenditure of public funds.

<b>Further Information</b>	frcd@finance.gov.pg
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